

Annual Report to the Twenty-Second Legislature
Regular Session of 2004

GEOHERMAL ROYALTIES



Prepared by the
Department of Land and Natural Resources
State of Hawaii
in response to
Section 182-18, Hawaii Revised Statutes
November 2003

Fiscal Year 2002-2003
Annual Report on Geothermal Royalty Dispositions

This annual report is prepared pursuant to Section 182-18, Hawaii Revised Statutes, and covers the period July 1, 2002 through June 30, 2003.

For Fiscal Year 2002-2003, a total of \$82,295 in geothermal royalties was received from Puna Geothermal Venture (PGV). In accordance with statutory provisions, \$24,688.50 (30%) and \$16,459 (20%) were distributed to the County of Hawaii and the Office of Hawaiian Affairs, respectively. Geothermal royalties for Fiscal Year 2002-2003 were based on the power production and sale of 68,084.1 megawatts to the Hawaii Electric Light Company (HELCO).

In April 2002, PGV's main geothermal resource well (KS-11) became plugged, resulting in decreased steam production. This decrease resulted in reduced electrical production, reflected in the amount of royalties received in Fiscal Year 2002-2003. PGV completed a new production well in KS-5 in January 2003, which allowed PGV to resume normal electrical production levels.